

FISCAL NOTE

Bill #: SB0247

Title: Use tobacco settlement funds
to accelerate implementation of
federal medicaid requirements

**Primary
Sponsor:** Bill Glaser

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
-------------------	------	-----------------------------	------

Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
State Special Revenue	\$966,657	\$466,225
Federal Special Revenue	<u>2,505,529</u>	<u>1,246,578</u>
TOTAL	\$3,472,186	\$1,712,803

Net Impact on General Fund Balance: None

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. This bill requires the use of tobacco funds for state match for Medicaid cost increases associated with this bill.
2. All children under the age of 19 whose family income does not exceed 100% of the federal poverty level (FPL) will be eligible for Medicaid.
3. Current law requires a phase in approach for children from 40.5% of the FPL to 100% of the FPL. Under this phase-in: 16 year old children would be eligible for this option on 10/1/99; 17 year old children would be eligible for this option on 10/1/2000; 18 year old children would be eligible for this option on 10/1/2001.
4. Under proposed law and based on the US Census, it is estimated that there would be an additional 1,153 sixteen year old children eligible for Medicaid under this option; an additional 1,153 seventeen year old children eligible for Medicaid under this option; and an additional 924 eighteen year old children eligible for Medicaid under this option.

(continued)

5. Under this legislation, the new implementation date is 7/1/1999 for 16 & 17 year old children. This affects the children who would have become eligible on October 1 of each year under current law by speeding up their eligibility by 3 months.

6. The average cost per recipient would be:	<u>FY 2000</u>	<u>FY2001</u>
A. Average cost (16 Year old)	\$1,398	\$1,441
B. Average cost (17 Year old)	\$1,633	\$1,687
C. Average cost (18 Year old)	\$1,283	\$1,327

The Mental Health Access Plan capitation rate is included in this cost per recipient. It is assumed that all of the new children on Medicaid will be classified as TANF-related with the following capitation rates: 16 & 17 year olds at \$38.58 per month, 18 year olds at \$12.18. No foster care children will be added to Medicaid under this proposed law. Growth in cost is based on budgeted increases in cost per the Medicaid Primary Care budget for FY 2000 and FY 2001.

7. Federal medical assistance percentage is 27.84% in FY 2000 and 27.22% in FY 2001.

8. The estimated cost under current law compare to proposed law for these age groups is:

<u>Current Law:</u>	<u>FY 2000</u>	<u>FY2001</u>
A. Total cost for 16 Year olds (Eligible 10/1/99)	\$5,250,639	\$5,817,764
B. Total cost for 17 Year olds (Eligible 10/1/2000)	\$4,336,939	\$5,919,872
C. Total cost (18 Year old)	\$2,951,080	\$3,039,917

<u>Proposed Law:</u>		
A. Total cost for 16 Year olds (Eligible 7/1/99)	\$5,653,538	\$5,817,764
B. Total cost for 17 Year olds (Eligible 7/1/99)	\$6,220,356	\$6,406,147
C. Total cost (18 Year old) (Eligible 7/1/99)	\$4,136,950	\$4,266,444

Increase in total funds:	\$3,472,186	\$1,712,803
Increase in State Special Revenue:	\$ 966,657	\$ 466,225

9. The increase in funds represents only those additional funds needed to bring these age groups on earlier than what current law allows.

<u>FISCAL IMPACT:</u>	<u>FY2000</u>	<u>FY2001</u>
	<u>Difference</u>	<u>Difference</u>

<u>Expenditures:</u>		
Benefits	\$3,472,186	\$1,712,803

<u>Funding:</u>		
State Special Revenue (02)	966,657	466,225
Federal Special Revenue (03)	<u>2,505,529</u>	<u>1,246,578</u>
TOTAL	\$3,472,186	\$1,712,803

<u>Revenues:</u>		
State Special Revenue (02)	966,657	466,225
Federal Special Revenue (03)	<u>2,505,529</u>	<u>1,246,578</u>
TOTAL	\$3,472,186	\$1,712,803

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	0	0
-------------------	---	---

TECHNICAL NOTES:

1. If CHIP legislation is adopted, an estimated 1,934 children in this age group would be eligible for CHIP. If this bill is enacted, then the children mentioned above would no longer be eligible for CHIP as Medicaid eligibility excludes children from the CHIP program.